



3rd United Nations Conference on the Least Developed Countries Brussels, 14-20 May 2001

Taking action where poverty is toughest

In a world awash in financial markets, trade and investment of unprecedented magnitude, 49 countries with over 630 million people — exceeding one-tenth of the world's population — are cut off from the mainstream of the global economy.

From 14 to 20 May, the United Nations is convening a global conference in Brussels, Belgium, hosted by the European Union, to contend with poverty, underdevelopment and instability in these countries — the "least developed countries" (LDCs). The conference is expected to be results-oriented and to reach agreement on concrete steps whereby the LDCs can reverse their slide into marginalization and extreme poverty.

Action is desperately needed. More than half of the people in these countries live on less than a dollar a day. Average life expectancy is 51 years. Forty-three per cent have no access to safe drinking water, 50 per cent are illiterate, and only 26 per cent of births are attended by trained health personnel.

And, despite a worldwide commitment to fight poverty, the number of countries that are desperately poor is on the rise. Indeed, during the past 30 years the number of LDCs has doubled — from 25 to 49.

The 1990s were a cruel decade for the people of these nations. Many of them have been subject in recent years to civil discord and violent conflicts, which often spill across borders and disrupt regional stability. Millions have been driven from their homes, becoming internally displaced or international refugees.

Moreover, the forces of globalization, which have allowed a few countries to export their way out of severe underdevelopment, tend to work against the LDCs. Prices of primary commodities (the major LDC export category) are falling, while a premium is placed on advanced technology — an LDC weak point. Options for improving exports through local processing are hampered by high trade barriers in prime international markets on products of strategic export value to the LDCs.

As the new century opens, slowing global growth and memories of recent financial crisis cause nervous international investors to shun all but the safest outlets for capital. Moreover, two-thirds of the LDCs are among countries classified as highly indebted and poor. Incurred mostly during the free-for-all financial atmosphere of the 1980s, national debts are rising despite new international relief programmes.

A partnership for progress

A significant component of the efforts to overcome LDC constraints — lack of productive capacity and infrastructure; a shortage of managerial, entrepreneurial and technical skills; flawed governance; and low levels of savings and investment, including very low levels of incoming foreign investment — must be undertaken by the least developed countries themselves.

Already there are examples of impressive progress being made by LDCs, even in the context of a difficult international environment: Mali has made strategic advances in adopting new information technologies, by placing nearly all its governmental functions online; Bangladesh has expanded its export sector; Mozambique achieved an economic growth rate higher than that of any other country in the world in 1999. But taken together, there is no internal remedy for all of the shortages and handicaps that burden the LDCs. The international community must play an active role.



Recognizing the need for a partnership approach, leaders of the world's nations meeting at the Millennium Summit in New York in September 2000 pledged to support the Brussels conference and called on the prosperous countries to take action in three crucial areas:

- ◆ **allow duty- and quota-free market access** to essentially all LDC exports;
- ◆ **cancel all official bilateral debts** owed by LDCs, in cases where countries make demonstrable poverty reduction commitments, and ensure that the current international debt-relief initiative for poor countries proceeds promptly and vigorously; and
- ◆ **grant more generous development assistance**, especially to countries that apply resources to poverty reduction.

Participation

Participating in LDC-III will be policy makers from the world's governments, with a leading role taken by leaders from the 49 least developed countries themselves, as well as representatives of all sectors of civil society.

Also sharing responsibility for the success of the conference will be key international and multilateral organizations, including the UN Conference on Trade and Development (UNCTAD), UN Development Programme, World Health Organization, UN Educational, Scientific and Cultural Organization, World Bank and International Monetary Fund. These and other agencies are active in the LDCs, and their coordinated efforts are crucial to the success of the international partnership.

A notable feature of the Conference will be the announcement by donor countries and agencies of "deliverables" — **concrete commitments of resources, programmes and initiatives** to support LDC development.

Special "parallel events" are designed to incorporate key roles by non-governmental organizations representing civil society, and by businesses, municipalities and parliamentarians.

Venue and secretariat

As the largest single development and trading partner of the LDCs, the European Union is hosting the Conference. The modern facilities of the **European Parliament building in Brussels** are well suited to serve as the venue for plenary and thematic sessions, parallel events and an unprecedented special exhibit on the cultural riches and diversity of the least developed countries and on the work of the European Union and the UN system in these countries.

The secretariat for LDC-III is the Geneva-based UNCTAD. With long-standing experience in the development-related aspects of trade, investment, technology and capacity-building, UNCTAD serves as the focal point for LDC issues within the UN system.

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